EXHIBIT H

Press Releases

InterDigital Announces Third Quarter Financial Results; Results Reflect Transition in Per-Unit Royalty Reporting and Positive Tax Adjustment

KING OF PRUSSIA, Pa.--(BUSINESS WIRE)--Nov. 9, 2004--

Results in Line With Company Guidance

InterDigital Communications Corporation (Nasdaq:IDCC), a leading architect, designer and provider of wireless technology and product platforms, today announced revenues of $7.4 million and a net loss of $6.4 million, or $0.12 per share, for its third quarter ended September 30, 2004. These results include the effect of a transition (described in the Company's October 25, 2004 press release) for reporting per-unit royalties in the quarter in which licensee reports are received rather than in the quarter in which a licensee's sales occur.

In addition, the Company recognized a non-cash benefit of $26.9 million in third quarter 2004 associated with the partial reversal of its valuation allowance against deferred tax assets, approximately $17.1 million of which was recognized as income. The remaining $9.8 million was credited directly to additional paid-in-capital. InterDigital's cash and short-term investment position of $144.9 million remained strong at September 30, 2004, up $39 million over year-end 2003.

Howard Goldberg, President and Chief Executive Officer, stated, "Our performance in the third quarter and through the first nine months of 2004 has been strong. We are in a healthy financial position based upon robust free cash flow(1). This has facilitated the repurchase of one million shares during the third quarter. Our revenue and income results for this year's third quarter were anomalies due to the non-cash effect of the nonrecurring items related to both per-unit royalty reporting and the tax valuation allowance adjustment. We expanded our royalty base with new or expanded agreements with Danger and Toshiba, respectively. We are making solid progress in establishing customer relationships for our Adaptive Interference Management(TM) (AIM) family of advanced antenna products and 3G air interface solutions. We are especially pleased that we have been selected as a supplier to General Dynamics to provide the WCDMA air interface technology for the Mobile User Objective System for the U.S. military. Further, our strong cash position enables us to focus on enhancing shareholder value by investing in technology and product development, and by making the additional share repurchases which we recently announced."

Third Quarter Summary

Due to the transition in reporting per-unit royalties, third quarter 2004 revenues of $7.4 million included only the amortization of paid-up royalties and fixed obligations. This compares with revenues of $26.8 million in third quarter 2003, which consisted of $20.8 million of per-unit royalties and $6.0 million related to amortization of paid-up royalties and fixed obligations. Commencing in fourth quarter 2004, royalty revenue will include both fixed and amortized amounts, as well as per-unit royalties reported to the Company during that quarter.

The Company reported a net loss of $6.4 million, or $0.12 per share in third quarter 2004, compared to net income of $3.4 million, or $0.06 per share (diluted) in third quarter 2003. Operating expenses of $26.5 million increased 24% over third quarter 2003 and were about even with second quarter 2004 (excluding repositioning charges). The increase in operating expenses over third quarter 2003 was driven, in large part, by additional personnel costs related to both a new long-term incentive compensation program implemented in first half 2004 and annual wage inflation, as well as higher costs associated with patent licensing arbitration and litigation. The

Company's third quarter 2004 tax provision included a $17.1 million positive effect related to the partial reversal of the Company's valuation allowance against deferred tax assets. This was offset in part by a non-cash tax expense of $4.8 million primarily associated with the character and usage of the Company's remaining federal net operating loss carryforwards (the majority of which resulted from deductions related to stock option exercises).

Nine Months Summary

For the first nine months 2004, revenues were $69.8 million compared to $89.9 million in the first nine months 2003. The decrease in revenues for the first nine months 2004 versus 2003 was due to the absence of per-unit royalty revenue in third quarter 2004 associated with the transition noted above. Recurring patent license royalties (which include both fixed and amortized amounts, as well as per-unit royalties reported to the Company) for the first nine months 2004 were $68.7 million. This included $20.9 million related to nine months of fixed and amortized amounts, as well as $47.8 million associated with six months of per-unit royalties. The first nine months 2003 revenue consisted of $69.4 million of recurring patent license royalties and $20.5 of non-recurring revenue primarily associated with Sony Ericsson's pre-2003 handset sales.

Net income for the first nine months 2004 (including a $0.6 million pre-tax repositioning charge) was $0.3 million, or breakeven per share. Net income for the first nine months 2003 was $33.2 million, or $0.55 per share (diluted). Results for the first nine months 2003 included the benefit of $30.8 million (pre-tax) of non-recurring items related to Sony Ericsson's pre-2003 handset sales and the settlement of litigation with Ericsson. Excluding these items, the Company would have reported net income in the first nine months 2003 of approximately $3.0 million, or $0.05 per share (diluted).

2004 Outlook

Rich Fagan, Chief Financial Officer commented, "We expect to provide updated guidance on fourth quarter 2004 revenue shortly, after we receive and review all per-unit royalty reports. Based on reports received to date, we expect that fourth quarter 2004 revenue should exceed $30 million due to the strength of our licensees in the 3G market. We're also excited about the potential of our new relationship with General Dynamics and heightened interest in our AIM ANTENNA family of products. To take full advantage of these opportunities, we're scaling our developments efforts. As a result of additional investment in technology development and related productization and higher commissions related to per-unit royalty revenue, we expect our fourth quarter operating expenses to increase 10% to 15% over third quarter 2004 levels."

About InterDigital

InterDigital architects, designs and provides advanced wireless technologies and products that drive voice and data communications. The Company offers technology and product solutions for mainstream wireless applications that deliver cost and time-to-market advantages for its customers. InterDigital has a strong portfolio of patented technologies covering 2G, 2.5G, 3G and 802 standards, which it licenses worldwide. In addition, InterDigital is developing proprietary technology solutions with future product potential to address emerging telecommunications issues. For more information, please visit InterDigital's web site: www.interdigital.com. InterDigital is a registered trademark and AIM ANTENNA and Adaptive Interference Management are trademarks of InterDigital Communications Corporation.

This press release contains forward-looking statements regarding, among other things, our current beliefs, plans, and expectations as to: (i) our fourth quarter 2004 revenue; (ii) our selection as a supplier to General Dynamics on the MUOS project, and heightened interest in our AIM ANTENNA products; (iii) the scaling of our development efforts; and (iv) increases in ongoing expenses over third quarter levels. Words such as "expect" or similar expressions are intended to identify such forward-looking statements.

Forward-looking statements are subject to risks and uncertainties. Actual outcomes could differ materially from those expressed in forward-looking statements due to a variety of factors in addition to those specifically identified above including, but not limited to: (i) our ability to enter into new and expanded patent license agreements; (ii) a failure by any of our key licensees to realize our projections for sales of covered products; (iii) our ability to successfully negotiate and enter into an agreement with General Dynamics with respect to the MUOS project, and our ability to successfully negotiate and enter into agreements with parties expressing interest in our AIM ANTENNA technology; (iv) our ability to hire and retain qualified personnel; (v) unanticipated development costs and technical, financial or other difficulties or delays related to the development of our technologies and products, and market acceptance of our technologies and products; and (vi) other factors listed in the Company's most recently filed Form 10-K and Form

10-Q. We undertake no duty to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

(1) InterDigital defines "free cash flow" as operating cash flow less purchases of property and equipment and investments in patents

SUMMARY CONSOLIDATED STATEMENT OF OPERATIONS

For the Periods Ended September 30
(Dollars in thousands except per share data)
(unaudited)

	For the Three Months Ended September 30, 2004	For the Three Months Ended September 30, 2003	For the Nine Months Ended September 30, 2004	For the Nine Months Ended September 30, 2003
REVENUES	$7,358	$26,790	$69,753	$89,891
OPERATING EXPENSES:				
Sales and marketing	1,399	1,330	4,409	3,473
General and administrative	5,046	4,567	15,866	13,305
Patents administration and licensing	7,708	4,263	19,638	11,338
Development	12,349	11,253	38,091	34,054
Repositioning	3	-	607	-
	26,505	21,413	78,611	62,170
(Loss) income from operations	(19,147)	5,377	(8,858)	27,721
OTHER INCOME	-	-	-	10,580
NET INTEREST & OTHER FINANCING INCOME	436	405	1,126	1,298
(Loss) income before income taxes	(18,711)	5,782	(7,732)	39,599
INCOME TAX PROVISION	12,308	(2,317)	8,051	(6,249)
Net (loss) income	(6,403)	3,465	319	33,350
PREFERRED STOCK DIVIDENDS	-	(34)	(66)	(101)
NET (LOSS) INCOME APPLICABLE TO COMMON SHAREHOLDERS	$(6,403)	$ 3,431	$ 253	$33,249
NET (LOSS) INCOME PER COMMON SHARE - BASIC	$(0.12)	$0.06	$-	$0.60
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC	55,282	55,912	55,341	55,475
NET (LOSS) INCOME PER COMMON SHARE - DILUTED	$(0.12)	$0.06	$-	$0.55
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING -				

DILUTED	55,282	60,109	59,421	60,192

SUMMARY CASH FLOW

For the Periods Ended September 30
(Dollars in thousands)
(unaudited)

	For the Three Months Ended September 30, 2004	2003	For the Nine Months Ended September 30, 2004	2003
(Loss) income before taxes	$(18,711)	$5,782	$(7,732)	$39,599
Taxes paid	(692)	(3,220)	(4,187)	(7,555)
Depreciation & amortization	4,029	2,742	11,118	8,385
Increase in deferred revenue	13,210	1,500	62,994	55,988
Deferred revenue recognized	(6,286)	(16,612)	(36,899)	(44,984)
Decrease in operating working capital, deferred charges and other	50,482	34,420	32,222	3,993
Capital spending & patent additions	(4,456)	(3,805)	(11,470)	(8,574)
CASH FLOW BEFORE FINANCING ACTIVITIES	37,576	20,807	46,046	46,852
Increase in notes receivable	-	-	-	(1,446)
Acquisition of Tantivy assets	-	(10,430)	-	(10,430)
Debt decrease & preferred dividends	(52)	(48)	(189)	(183)
Net stock issued (acquired)	(15,907)	(32,320)	(6,862)	(16,431)
NET INCREASE IN CASH AND SHORT-TERM INVESTMENTS	$ 21,617	$(21,991)	$ 38,995	$ 18,362

CONDENSED BALANCE SHEET

(Dollars in thousands)
(unaudited)

	September 30, 2004	December 31, 2003
Assets		
Cash & short-term investments	$144,922	$105,927
Accounts receivable	6,603	37,839
Other current assets	6,168	8,628
Property & equipment (net)	10,711	12,137
Patents (net) & other non-current assets	76,757	40,634
TOTAL ASSETS	$245,161	$205,165
Liabilities and Shareholders' Equity		
Current portion of long-term debt	$172	$193
Accounts payable & accrued liabilities	19,288	16,236
Foreign & domestic taxes payable	94	1,259
Deferred revenue	112,690	86,595
Long-term debt & long-term liabilities	3,266	3,397

TOTAL LIABILITIES	135,510	107,680
SHAREHOLDERS' EQUITY	109,651	97,485
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$245,161	$205,165

The Company's short-term investments are comprised of high quality credit instruments including U.S. Government agency instruments and corporate bonds. Management views these instruments to be near equivalents to cash and believes that investors may share this viewpoint. This release includes a summary cash flow statement that results in the change in both our cash and short-term investment balances. One of the subtotals in the summary cash flow statement is cash flow before financing activity. Management has presented a reconciliation of this non-GAAP line item to net cash provided by operating activities below:

	For the Three Months Ended September 30, 2004	2003	For the Nine Months Ended September 30, 2004	2003
Net cash provided by operating activities	$41,996	$24,920	$57,819	$55,771
Purchases of property and equipment	(1,166)	(1,190)	(2,654)	(2,579)
Patent costs	(3,290)	(2,615)	(8,816)	(5,995)
Unrealized (loss) gain on short term investments	36	(112)	(303)	345
Cash flow before financing activities	$37,576	$21,003	$46,046	47,542

This release also discusses operating expenses, excluding repositioning charges, and net income including certain non-recurring revenue items. Management believes that investors may find these non-GAAP financial measures useful in understanding the Company's operating results. This information is intended to provide more meaningful comparisons of the Company's results.

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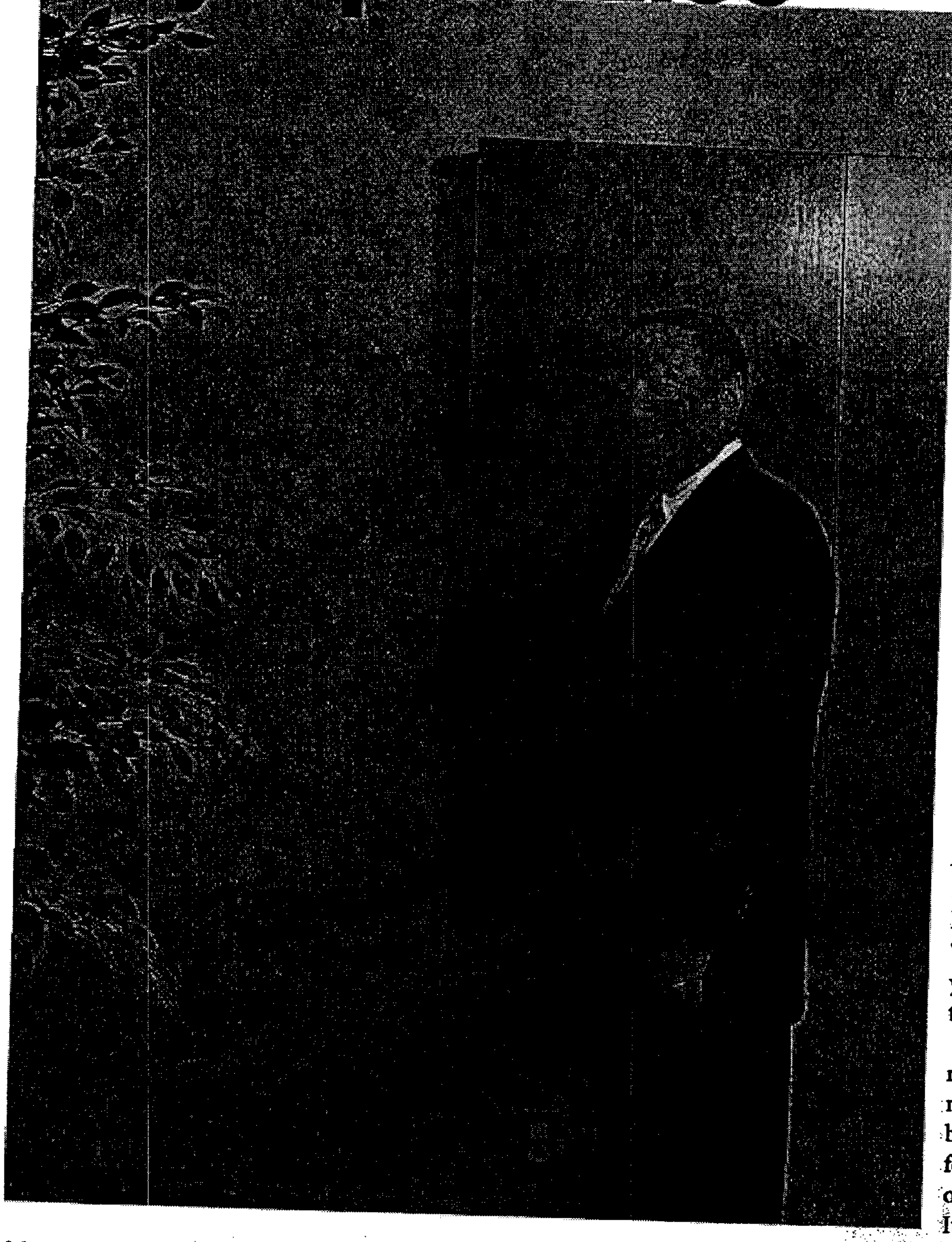
SOURCE: InterDigital Communications Corporation

EXHIBIT I

Pay Up Or Else



JUSTIN STEELE FOR FORBES

Howard Goldberg wants every cell phone to use InterDigital's chip technology. He's got a bizarre way of wooing customers | BY ELIZABETH MACDONALD

INTERDIGITAL COMMUNICATIONS IS in the wireless business. But this King of Prussia, Pa. firm doesn't make any phones or handhelds. Instead it extracts money from companies that do. It has what it asserts is a library of 4,200 patents that govern the innards of wireless devices.

Howard Goldberg, the 57-year-old chief executive of InterDigital, says, "We're at the core of the communications revolution. We keep gaining strength because we've been in the forefront of invention. We've kept our foot on the pedal more than anyone." Goldberg says he's got 300 engineers working in hushed videoconferencing rooms he calls "ideatoriums," where they find new ways to increase the range and signal strength of cell phones.

But rather than earn cheers or envy for its research prowess, Goldberg's company has earned enmity for its hardball enforcement of intellectual property rights. Virtually all of its $33 million profit for the first nine months has come from dragging customers like Ericsson and NEC Corp. through legal disputes over patents. "Its strategy is so difficult," says Frank R. Marsala, an analyst at First Albany. "Everything it's done is about pulling teeth."

Goldberg, who is also a lawyer, says his tactic of fighting poachers is intrinsic to InterDigital's success. "It's what we have to do every day," he says. "This is not a situation where you can sit back and just let things happen."

InterDigital has only recently stopped being a big moneyloser. It turned a profit, before extraordinary items, in four of the last five years, but only five out of the last fifteen. It has generated free cash in only three years since 1988. Worrisome, as some of InterDigital's most valuable patents expire in 2006. But Wall Street loves this outfit. Shares trade at $20, or 28 times trailing earnings, giving the company a market value of $1 billion.

What's to like about this company? Lately investors have been enthusiastic about the potential for a big arbitration victory against Nokia and Samsung Electronics over its second-generation, or 2G, digital cellular technology. Goldberg has

done much to inspire this enthusiasm.

Last March InterDigital issued a press release announcing a patent victory over Ericsson and its joint venture called Sony Ericsson Mobile Communications, where the two agreed to pay InterDigital $34 million. In the release InterDigital declared that the settlement set a new, richer licensing rate for Nokia and Samsung, with royalties from them potentially hitting $180 million to $220 million over this year and next. Later, in their annual shareholder letter, Goldberg and Chairman Harold Campagna touted an even bigger 2G cash windfall from the four concerns of $360 million to $430 million by mid-2004. InterDigital's stock soon shot to $28, quadruple its lows of August 2002.

Not long after, insiders started dumping shares. Between March and early October, Goldberg and insiders like Mark Lemmo, an executive vice president, unloaded a net total of 111,000 shares for proceeds of $6 million. (Goldberg says he has raised his stake slightly, to 86,000, and has sold shares acquired in option exercises.) Goldberg is unapologetic, saying the company has strict policies on stock sales. "We're people, we all have needs," he says.

But with six months to go before that April 2004 target date, prospects for a gusher of cash look dimmer by the minute. Both Nokia and Samsung are adamantly refusing to pay the advertised sums. As Nokia had paid just $32 million in royalties to InterDigital between 1999 and 2001, and Samsung paid only $19 million from 1996 to 2001, it might be optimistic to expect hundreds of millions of dollars. Both are demanding sealed court documents from InterDigital's legal fight with Ericsson. While both declined comment on the arbitration, Nokia's spokesman William Plummer says: "Any party can file as many applications as they want to assert their intellectual property rights and declare they're essential, but that doesn't mean they are."

With InterDigital's 2G patents expiring, Goldberg hopes to cut deals for its newer patents on higher-speed third-generation, or 3G, technology that can help expand bandwidth for wireless e-mail or Web browsing. "Any company can design around our patents, but our inventions are the simplest, most elegant and cheapest way to make a handset," he says. Marsala at First Albany isn't so sure: "I think they have something defensible in 3G, but it's at least somewhat contentious what the strength is of its overall intellectual property." So far eight companies, including Sharp and Panasonic Mobile Communications, have signed on to the 3G licenses. Compare that to Qualcomm, with $985 million in licensing and royalty revenue and 120 3G licensees.

Moreover, InterDigital warned in its 10-K for 2002 that 3G manufacturers are reluctant to license its 3G patents "because a leading wireless company has agreed to indemnify them against allegations of infringement." Given that a mystery company—Qualcomm says it's not the one—will now protect companies from InterDigital's litigiousness, that eliminates much of the fear of shunning Goldberg.

Most of its profit so far comes from patent disputes. "Its strategy is so difficult. Everything it's done is about pulling teeth."

InterDigital is making the most of its patent revenue. Ordinarily, because it's nonrecurring, money from legal settlements is recorded not as ongoing revenue but as "other income," says Charles Mulford, an accounting expert at the Georgia Institute of Technology. Despite telling investors in its annual report for 2002 that it would book legal settlements as "other income" (PricewaterhouseCoopers made the change after taking over from Arthur Andersen), InterDigital stuffed the $20 million it got from Sony Ericsson into revenue, with the other $11 million (net of an estimated $3 million insurance reimbursement) from Ericsson booked as other income. That $20 million was half of first-quarter revenue; the $31 million erased what would have been a quarterly loss. No cash actually came in until a $7.8 million payment in the second quarter, with another $7.8 million due by the end of the year.

InterDigital argues it was in the right because the $20 million deal technically was a new agreement to settle a separate patent dispute with Sony Ericsson. It's not the first time InterDigital made this move. Last year it transformed a $53 million legal settlement with NEC into a four-year revenue stream, recording $12.3 million in sales in 2002. The company says accounting rules allow for such treatment.

In any case, InterDigital may see its $33 million in profit for the first nine months nearly vanish because its insurer, Federal Insurance, is demanding a big $28 million cut of the Ericsson-Sony settlement to reimburse it for attorneys' fees it covered. This fight is now headed for arbitration.

Starting out in 1972 as International Mobile Machines, InterDigital made one of the earliest digital phones, the UltraPhone, but it never found a market. In the mid-1990s InterDigital began focusing on just making patented designs. As InterDigital was pulling away from making products, Goldberg was coming to power. InterDigital needed a lawsuit savant, and Goldberg fit the bill. A former special counsel at the Securities & Exchange Commission, he spent ten years in InterDigital's legal group.

Today Goldberg oversees a squadron of in-house lawyers, which can swell to dozens of outside lawyers if need be. They've taken their losses. In 1995 a jury threw out InterDigital's demand for $200 million against Motorola for patent infringement.

For now InterDigital has another fight on its hands. Four handset manufacturers—Nokia, Siemens, NTT Docomo and Ericsson—are sick of patent disputes and have jointly agreed to cap royalty rates on patents for a burgeoning technology known as wideband code-division multiple-access. The consortium has suggested the rate be set at around 5% of a handset's costs. "We want to keep it as low as possible, to prevent some companies from just making money with their patents, as does InterDigital or Qualcomm," says Siemens' spokesman Florian Kreutz. Goldberg says: "I don't believe this will substantially affect our business." That remains to be seen. F

EXHIBIT J

Manufacturing The Future of Communications

InterDigital

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VIA FAX

June 2, 1993

Timo Ruikka
Nokia Telecommunications
P.O. Box 33
SF-02601
Espoo, Finland

Dear Mr. Ruikka:

You may recall our meeting at the ETSI Conference in London in February.

I sent Mr. Ollila of Nokia Mobile Phones the enclosed fax yesterday. (I didn't have your address until today). Perhaps I should be communicating with one of your patent or licensing people too. If so, would you please forward this letter to the proper person.

Many thanks for your cooperation.

Sincerely yours,

Bob Bramson

Robert S. Bramson
President & CEO

RSB/lkh

Enclosure

News Release

InterDigital

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FOR IMMEDIATE RELEASE
January 13, 1993.

INTERDIGITAL'S PATENT SUBSIDIARY COMPLETES PRIVATE PLACEMENT

King of Prussia, PA, January 13, 1993 . . . InterDigital Patents Corporation, a subsidiary of InterDigital Communications Corporation (ASE: IDC), announced today that it has recently completed a private placement of its common stock. InterDigital Communications Corporation will retain a 93.8% ownership with InterDigital Patents Corporation receiving approximately $5.2 million of net proceeds. The funds will be used to operate the Corporation, to enforce InterDigital's Time Division Multiple Access (TDMA) and Broadband Code Division Multiple Access (B-CDMA) patents worldwide against infringers, and to strengthen and expand the patent portfolio.

InterDigital Patents Corporation has initiated a program for licensing its TDMA architecture patents worldwide. Certain patents cover systems which comply with IS-54, the North American cellular standard; GSM, the European cellular standard; and RCR-27A, the Japanese cellular standard. Other patents cover the use of broadband CDMA architecture in digital wireless radiotelephone systems.

InterDigital Patents Corporation, through its wholly owned subsidiary, InterDigital Technology Corporation, owns all of the present and future worldwide patents and patent applications of InterDigital Communications Corporation and its recently acquired subsidiaries, SCS Mobilecom, Inc. and SCS Telecom, Inc. InterDigital Patents Corporation now owns approximately 50 U.S. patents, 24 pending U.S. patent applications and 409 foreign patents and patent applications.

InterDigital Patents Corporation is headed by Robert S. Bramson, a well-known patent and licensing attorney. Mr. Bramson is Adjunct Professor of Computer Law at both Rutgers Law School and Temple University Law Center. He was formerly Vice President and General Patent and Technology Counsel for Unisys Corporation. Prior to that he was a partner and Head of the Computer and Technology Law Group of Schnader, Harrison, Segal & Lewis, a prominent Philadelphia-based law firm.

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News Release

InterDigital

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FOR IMMEDIATE RELEASE
February 25, 1993

INTERDIGITAL PATENTS CORPORATION SELECTS LAW FIRM

King of Prussia, PA, February 25, 1993 ... InterDigital Patents Corporation, a subsidiary of InterDigital Communications Corporation (ASE: IDC), announced today the engagement of the law firm of Dickstein, Shapiro & Morin to represent it in connection with possible patent infringement litigation that may be initiated by InterDigital to enforce its portfolio of 32 United States patents dealing with digital wireless telephones using Time Division Multiple Access (TDMA) technology. The North American digital cellular telephone standard, IS-54, and the European and Japanese standards, GSM and UDC, all utilize TDMA technology. Dickstein, Shapiro & Morin, a nationally prominent law firm, based in Washington, D.C., specializes in litigation of major cases. The firm was selected after interviews with a number of qualified law firms.

As part of its representation, the Dickstein, Shapiro & Morin law firm has agreed to a partial contingent fee arrangement based on the successful enforcement of InterDigital's patents.

Commenting on this announcement, Robert S. Bramson, president and chief executive officer of InterDigital Patents Corporation, said, "We recently successfully completed a private placement and raised $5.5 million. This contingent fee engagement is our second strategic step and enables us to multiply our financial resources to aggressively protect and enforce our portfolio of over 50 U.S. patents and 450 foreign patents covering TDMA, CDMA and other wireless technology. With the engagement of the Dickstein, Shapiro & Morin firm, I am confident that we have the highest quality legal representation available."

The litigation team will be led by John T. Kotelly, a well-known jury trial lawyer, who has tried over 150 civil and criminal jury cases. Mr. Kotelly holds an engineering degree from Rensselear Polytechnic Institute as well as a law degree from Georgetown University Law School. The trial team will also include the chair and a member of the Intellectual Property

-more-

Group of the firm, Gary M. Hoffman and Thomas D'Amico. Mr. Hoffman has handled over 75 intellectual property litigation cases and holds a degree in Electrical Engineering from the University of Pennsylvania and a law degree from George Washington University. Mr. D'Amico, a senior partner, has a degree in Electrical Engineering from Washington University and a law degree from George Washington University. Mr. D'Amico was a telephony patent examiner for approximately six years before clerking for Judge Donald E. Lane of the U.S. Court of Customs and Patent Appeals (now the Court of Appeals for the Federal Circuit) and then entered the private practice of law.

InterDigital Communications Corporation is a pioneer in TDMA and B-CDMA technology and products. Its Ultraphone® TDMA digital radiotelephone system is ordered for or installed in over 175 locations worldwide.

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News Release

InterDigital

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FOR IMMEDIATE RELEASE
April 16, 1993

INTERDIGITAL FILES SUIT AGAINST QUALCOMM AND OKI FOR CDMA PATENT INFRINGEMENT

Files Suit Against OKI For TDMA Patent Infringement As Well

King of Prussia, PA, April 16, 1993 . . . InterDigital Technology Corporation (InterDigital), a subsidiary of InterDigital Communications Corporation (ASE: IDC), filed suit today in the United States District Court for the Eastern District of Pennsylvania, against Qualcomm Incorporated, OKI Electric Industry Company, Ltd., and OKI America, Inc. for infringement of its United States Patent number 5,179,571. The patent covers the hand-off of a telephone call from one cell to another, using a Code Division Multiple Access (CDMA)-based digital telephone handset.

The lawsuit asserts that CDMA handsets, to be manufactured by OKI under license from Qualcomm, infringe InterDigital's hand-off patent. The lawsuit also asserts that CDMA equipment, to be manufactured by Qualcomm, infringes the hand-off patent.

In the lawsuit, InterDigital seeks a preliminary injunction and a permanent injunction against infringement by Qualcomm, OKI Electric and OKI America of its hand-off patent as well as compensatory damages for infringement by the manufacture, use and sale of products complying with PN-3118, the proposed narrowband CDMA standard.

InterDigital notified the Telecommunications Industry Association (TIA) of this possible patent infringement in March. The TIA TR45.5 subcommittee is reviewing PN-3118, the narrowband CDMA standard proposed by Qualcomm. Products which comply with PN-3118 are alleged in the suit to infringe InterDigital's hand-off patent.

The lawsuit also asserts that TDMA handsets, to be manufactured by OKI Electric and OKI America infringe six InterDigital Time Division Multiple Access (TDMA) patents, and seeks preliminary and permanent injunctions against the manufacture of TDMA handsets by OKI and compensatory

(MORE)

damages for the infringements. TDMA patents asserted in the lawsuit are 4,675,863; 4,912,705; 4,817,089; 5,022,024; 5,119,375; and 5,121,391. OKI Electric and OKI America are preparing to manufacture both CDMA and TDMA cellular telephone handsets.

OKI Electric and OKI America are the first companies InterDigital has filed suit against to enforce its TDMA patents, which InterDigital believes are fundamental to the U.S. Digital Cellular Standard, IS-54.

President of InterDigital Technology Corporation, Robert S. Bramson said, "We have studied our patents carefully. We believe them to be strong and comprehensive. We intend to enforce our patents aggressively against infringers."

InterDigital is represented in the lawsuit by the Washington, D.C. based law firm of Dickstein, Shapiro & Morin and the Philadelphia based law firm of Schnader, Harrison, Segal & Lewis.

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EXHIBIT K

InterDigital Signs Royalty-Bearing Global 2G GSM/TDMA And 2.5G GSM/GPRS/TDMA Patent License Agreements with Ericsson and Sony Ericsson

KING OF PRUSSIA, Pa., Mar 17, 2003 (BUSINESS WIRE) --

InterDigital and Ericsson Settle Long-Standing Patent Infringement Litigation

Agreements Define Financial Terms for Nokia and Samsung Royalty Obligations on 2G GSM/TDMA and 2.5G GSM/GPRS/TDMA Products Under Existing Patent License Agreements

InterDigital Communications Corporation (Nasdaq: IDCC), a leading architect, designer and provider of wireless technology and product platforms, today announced that its subsidiary, InterDigital Technology Corporation (ITC), has entered into worldwide, royalty-bearing license agreements with Telefonaktiebolaget LM Ericsson and Ericsson Inc. (Ericsson) and Sony Ericsson Mobile Communications AB (Sony Ericsson) for sales of terminal units and infrastructure products compliant with Second Generation (2G) GSM/TDMA and 2.5G GSM/GPRS/TDMA standards.

The licensed products exclude any product compliant with Third Generation (3G) standards. These agreements resolve a long-standing patent infringement litigation with Ericsson scheduled for trial in May 2003. Ericsson also has granted an option to InterDigital for a Reference Design License and Support Agreement for Ericsson's GSM/GPRS/UMTS platform.

The license agreements with Ericsson and Sony Ericsson establish the financial terms necessary to define the royalty obligations of Nokia Corporation (Nokia) and Samsung Electronics Co. Ltd. (Samsung) on 2G GSM/TDMA and 2.5G GSM/GPRS/TDMA products under their existing patent licensing agreements with ITC. Under the most favored licensee (MFL) provision applicable to their respective patent licenses, both companies are obligated to pay royalties on sales of covered products from January 1, 2002 by reference to the terms of the Ericsson and Sony Ericsson licenses. The MFL terms include provisions for a period of review, negotiation, and dispute resolution with regard to the determination of royalty obligations of Nokia and Samsung. Based on the Company's application of the MFL provision, currently available third party estimates of Nokia's and Samsung's sales of covered products in 2002, and the Company's assumptions regarding such items as Nokia's and Samsung's sales mix, selling prices, and market share, the Company projects that Nokia's royalty obligation for 2002 could be in the range of $100 million to $120 million and Samsung's royalty obligation for 2002 could be in the range of $22 million to $27 million. Further, based on the application of the MFL provision and assumptions noted above, recent market forecasts, and the prepayment of royalties (net of related discounts) consistent with the terms of the Ericsson and Sony Ericsson agreements, the Company projects that 2003 royalty revenue from Nokia could be in the range of $80 million to $90 million, 2003 royalty revenue from Samsung could be in the range of $20 million to $24 million, and the aggregate prepayment of royalties from Nokia and Samsung for 2003 and 2004 could be in the range of $180 million to $220 million. Once these initial prepayments are exhausted, Nokia and Samsung can either make additional prepayments (net of related discounts) for twenty-four month periods, or pay royalties at the base rate on sales through 2006. The Company will not record revenue associated with the Nokia and Samsung license agreements until all elements required for revenue recognition are met.

"The licensing of Ericsson and Sony Ericsson is an important accomplishment within our strategic framework and a milestone event for our Company," said Howard Goldberg, President and Chief Executive Officer. "With respect to our intellectual property activities, these agreements increase our global leverage in patent licensing, affirm the market value of our technology and patented inventions, and set the financial terms that will accelerate the receipt of royalty payments from Nokia and Samsung. We also are taking a positive step forward with Ericsson consistent with our broader strategic objective of creating enterprise value by combining patent and technology licensing with a product-oriented business relationship."

ITC expects to receive aggregate payments of approximately $34 million from Ericsson and Sony Ericsson related to sales of terminal and infrastructure products through December 31, 2002. For periods thereafter through 2006, Sony Ericsson will be obligated to pay ITC a royalty on each licensed product sold. In addition, Sony Ericsson will make non-refundable advance royalty payments to ITC in 2003 covering Sony Ericsson's projected sales in 2003 and 2004. In exchange for such prepayments, Sony Ericsson will be given certain royalty rate discounts. Once this initial prepayment is exhausted, Sony Ericsson can either make additional prepayments (net of related discounts) for twenty-four month periods, or pay royalties at the base rate on sales through 2006. Under terms of its agreement, Ericsson will pay ITC an annual license fee of $6 million for sales of covered infrastructure equipment for each of the years 2003 through 2006.

Given the multi-faceted nature of the agreements with Ericsson and Sony Ericsson, the Company has not finalized the manner in which certain elements of the agreements will be recognized in the Company's financial statements.

William J. Merritt, President of ITC, stated, "We are very pleased to announce the completion of these agreements with Ericsson and Sony Ericsson. ITC has now licensed 25 manufacturers representing approximately 70% of the worldwide 2G GSM/TDMA and 2.5G GSM/GPRS/TDMA terminal market. These agreements will build upon the momentum of our ongoing 2G and 3G licensing efforts, strengthened by the market impact of establishing licensing rates for Nokia and Samsung, two key industry leaders."

The Company will host a conference call on Monday, March 17, at 12:00 noon Eastern Standard Time to discuss the Ericsson license agreements, the settlement, and their impact on the Company. To access the conference call within the U.S. and Canada, please dial 877/505-0448. International participants may access the call by dialing 706/679-3165. Please dial in to the call by 11:50 a.m. Eastern Standard Time on March 17 and ask the operator for the InterDigital Conference call.

InterDigital also will provide access to the call on its web site at: www.interdigital.com. The Company encourages participants to take advantage of the Internet option if possible. For the Internet broadcast, click on the microphone icon next to "Live Web Cast" on the Home Page and you will link to the web cast. In preparation for the web cast, InterDigital recommends that you complete the Pre-Event System Test.

In addition, a replay of the conference call will be available for 48 hours after the completion of the call. To access the recorded replay, dial 800/642-1687 and use the confirmation code 9233060. International participants may access the replay by dialing 706/645-9291 and using the confirmation code 9233060. A replay of the conference call also will be available on our website.

About InterDigital

InterDigital architects, designs and provides advanced wireless technologies and products that drive voice and data communications. The Company offers technology and product solutions for mainstream wireless applications that deliver cost and time-to-market advantages for its customers. InterDigital has a strong portfolio of patented technologies covering 2G, 2.5G and 3G standards, which it licenses worldwide. For more information, please visit InterDigital's web site: www.interdigital.com.

This press release contains forward-looking statements reflecting, among other things, the Company's beliefs, plans, and expectations as to: (i) receipt, timing, amount, and calculation of royalty payments and certain prepayments from Ericsson, Sony Ericsson, Nokia, and Samsung and the royalty obligations of those parties, as well as revenue recognition of such royalties; (ii) the effect of the Ericsson and Sony Ericsson licensing agreements on the royalty obligations of Nokia and Samsung under their licensing agreements; (iii) the effect of the Ericsson and Sony Ericsson licensing agreements and establishing licensing rates for Nokia and Samsung on both the Company's licensing efforts and the value of the Company's technology and patented inventions; (iv) the Company taking a positive step forward with Ericsson; and (v) creating enterprise value through combining patent and technology licensing with a product-oriented business relationship. Words such as "expect", "could", "project", "estimate", "will", "strategic objective", "assumption", "forecast" or similar expressions are intended to identify such forward-looking statements.

Forward-looking statements are subject to risks and uncertainties. Actual outcomes could differ materially from those expressed in any such forward-looking statements due to a variety of factors in addition to those specifically identified in such statements including, but not limited to: (i) any disputes, and the length and resolution of any disputes, as to the applicability of the terms of the Ericsson and Sony Ericsson licensing agreements to the royalty obligations of Nokia and Samsung under their licensing agreements; (ii) the review, negotiation and dispute resolution processes permitted under Nokia's and Samsung's license agreements and/or the results therefrom which could (a) cause delays in payment or cause changes in the anticipated amounts owed and/or paid by such parties, (b) impact anticipated leverage in patent licensing, and (c) impact our objective of combining licensing with a product-oriented business relationship; (iii) the financial inability or the unwillingness of any licensee to satisfy all of their royalty obligations on the terms we expect; (iv) a delay in the revenue recognition of royalties due to the financial inability or unwillingness of any licensee to satisfy its royalty obligations; (v) deterioration of the financial condition of any licensee, including any termination or rejection of any license resulting therefrom; (vi) legal and other proceedings that could adversely affect the validity of any license agreement and the royalty obligations or payments thereunder, or result in rejection or modification of any license agreement; (vii) failure of 2G and 2.5G sales to meet market forecasts whether due to global economic conditions, political instability, competitive technologies or otherwise; (viii) the impact of prepayment discounts or lack thereof and the accuracy of estimates by the licensees related thereto; (ix) the actual number and selling price of covered terminal units sold by our licensees; (x) any actual deviation from the assumptions made by the Company, including those related to product mix, sales prices, and market share of the licensees; (xi) a failure by any licensee to realize our or market projections for sales of covered products; (xii) the failure of the parties to agree to acceptable terms relating to the Company's use of Ericsson's GSM/GPRS/UMTS platform; (xiii) as well as other factors listed in the Company's most recently filed 10-K and 10-Q. InterDigital undertakes no duty to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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BODY:

OPERATOR: Good morning my name is Constance. I will be your conference facilitator. At this time I would like to welcome everyone to the InterDigital Communications Corp. second-quarter 2003 operating results conference call. All lines have been placed on mute to prevent any background noise. After the speaker's remarks there will be a question-and-answer period. (Caller Instructions). Thank you. Mr. Guy Hicks, Vice President of Corporate Communications and Investor Relations, you may begin your conference.

GUY HICKS, VP CORPORATE COMMUNICATIONS AND INVESTOR RELATIONS, INTERDIGITAL COMMUNICATIONS CORPORATION: Thank you. Good morning. Welcome to the InterDigital Communications Corp. operating results conference call for the second-quarter 2003. As Constance indicated, my name is Guy Hicks, and I'm the Vice President of Communications and Investor Relations. Joining me today on the call are Howard Goldberg, our President and Chief Executive Officer; and Rich Fagan, Chief Financial Officer. Before we begin, however, I need to remind you that in this call, we'll make forward-looking statements regarding our current beliefs, plans, and expectations as to our strategies, the Nokia and Samsung matters, expansion of our licensee base and pursuit of new business relationships a market opportunities, the benefits associated with the Tantivy transaction, our existing and future technology and product development programs, our revenues, expenses, and cash flow, our share repurchase program, and the performances of our licensees. Actual outcomes could differ materially from those expressed in any such forward-looking statements due to a variety of factors, including those set forth in the Company's most recent filings on form 10-K, 10-Q, and in this morning's release. Now, it's my pleasure to introduce our Chief Financial Officer, Rich Fagan. Rich?

RICH FAGAN, EVP AND CFO, INTERDIGITAL COMMUNICATIONS CORPORATION: Thank you Guy. Good morning to everyone. We were very pleased to provide solid results for second-quarter 2003. Our revenues grew nicely over comparable numbers for first-quarter 2003 and last year's second-quarter. Importantly, our cash position grew $33 million in the quarter as we ended second-quarter 2003 with our highest cash position ever. And, as we noted in our press release today, our cash position was further strengthened in early third-quarter 2003 by the receipt of approximately $24 million of initial payments, associated with a number of new or renewed patent license agreements. We were also pleased to announce that our Board has approved the repurchase of up to 2 million shares of the Company's outstanding common stock, reflecting its confidence in the Company's future.

Let's briefly review the numbers for second-quarter 2003. We reported revenues of $25.8 million in net income, up $3.1 million or 5 cents per diluted share. That compared with revenues of 25.1 million and net income of 2.4 million or 4 cents per diluted share in last year's second-quarter. Now, I will note at the outset, that direct comparisons of second-quarter 2002 are affected by the fact that last year's second-quarter included the recognition of 6.9 million of nonrecurring revenue from Kiasera (ph). Therefore, my comments will be directed at apples-to-apples comparisons

without this item. We experienced very solid growth in second-quarter 2003 recurring royalties. These royalties jumped to 25.6 million from 16.6 million and last year's second-quarter and 17 million in first-quarter 2003. Royalties from NEC, Sharp, Ericsson, and Sony-Ericsson comprised 90 percent of total revenues in the quarter and drove the improvement versus both last year's second-quarter and first-quarter of this year. In second-quarter 2003 were all these related to recent agreements with Ericsson and Sony-Ericsson contributed to 4.8 million of the total. NEC contributed almost 40 percent of the total. That amount included 2.3 million from a true-up of NEC's projected versus actual royalties for first-quarter 2003 and solid royalties from second-quarter 3G product sales. Sharp Corporation, which continues to be an important element of our royalty revenue stream, has begun to take advantage of its position as a pioneer in camera handsets. And we look for them to start leveraging their position with Vodafone into supply arrangements with other leading non-Japanese carriers.

Now, moving on to the rest of the income statement -- our second-quarter 2003 operating expenses increased a modest 1 percent over second-quarter 2002, while tax expense decreased due to the lower level of revenue subject to non-U.S. withholding taxes. Looking forward, we are optimistic that we'll continue to benefit from solid performances of our key licensees in the second half of 2003. We'll also continue to be aggressive in seeking to expand our licensee base and in pursuing other business relationships that could result in additional revenue over the next 12 months. We intend to complete the wideband TDD technology development program as planned. But we will delay investment in field trial demonstration products until 3G market demands warrant such investment. Nonetheless, we anticipate that our operating expenses and capital expenditures in second-half 2003 will increase slightly, as we examine and invest in growth and expansion opportunities and other strategic corporate initiatives. And, I think he goes without saying that our results could be materially affected by positive resolutions of issues with Nokia and Samsung. This concludes my prepared remarks. I will now turn the call over to Howard Goldberg. Howard?

HOWARD GOLDBERG, PRESIDENT, CEO AND DIRECTOR, I NTERDIGITAL COMMUNICATIONS CORPORATION: Thank you Rich. As Rich just presented, our very strong second-quarter performance reflects the success of our strategic licensing focus over many years and the continued impact of fiscal discipline. The fundamentals of our business are outstanding. These fundamentals include strong positive cash flow generation, through return royalties, and prudent cost and cash management. As we move forward, we're focusing our licensing, technology, and product development efforts on creating a broad-based revenue stream that spans multiple generations, multiple technologies, multiple standards, and multiple points in the wireless value chain. I'm very pleased to focus on the fact that over the past ten quarters, we have produced a compounded annual growth rate slightly above 50 percent in our recurring revenues. We're now approaching 500 million of cash receipts from patent licensing since 1995.

The number and quality of our patent licenses continues to strengthen. With approximately 70 percent of the world-wide TDMA and GSM handset market now under license to InterDigital, we're gaining greater transparency and predictability as our revenues increase. Our key licensees, both in 2G and 3G, include OEM providers extremely well positioned in their respective marketplaces. I'd like to take this opportunity to highlight just a few of our many licensees. Many of you have followed the outstanding product successes of Sharp and the leading position they're taking in camera phones. Likewise, NEC has enjoyed tremendous success in winning infrastructure business in the early 3G marketplace and is aggressively increasing its target position in the 3G handset market throughout Europe. Sony-Ericsson has been introducing a popular, broad line of 2G handset products, which are enjoying renewed market success.

No discussion of our licenses would be complete, of course, without comment on Nokia. The amount of money at issue with respect to the second period license is substantial. While we would prefer to finalize terms solely through negotiation, that path may not be possible in this case. Arbitration, a process contemplated by our license agreement with Nokia, has been initiated. I want to stress that this is a process that we will abide by, including all associated restrictions concerning confidentiality. Let me stress a couple of other points. It's very important that everyone understand that our resolve remains completely intact. With our strong cash position, we are able to proceed with business as normal. We intend to take the negotiation and arbitration process through to completion in whatever form that may take. We have, as a Company, faced many challenges getting to this point. And we have always emerged as a better company. We intend to do so in this case.

Let me transition from discussion of Nokia and talk about -- briefly -- about the strong inventive culture at InterDigital. Since we were recognized by Inc. (ph) magazine for our inventive successes and the unique compensation structure that fuels those successes, we have risen to still higher levels. Our pace of internal invention in the first half of 2003 remain strong. In the first seven months of 2003, InterDigital engineers have been granted 34 patents. Compared to 41 patents granted in the entire year -- the entire year of 2002 and 27 patents granted in the entire year of 2001. This

evidences strong performance and accomplishment for a Company of our size and as a result of substantial reinvestment for the future.

Also important to building enterprise value, are the objectives of broadening, strengthening, and diversifying our technology product programs and aligned engineering resources. We're approaching this evolution through internal refocusing, as well as through merger and acquisition activities. As exemplified by the Tantivy transaction. The Tantivy transaction brings a strong but lean team of 10, including very specialized engineers, who are engaged in developing technology platforms that meet our criteria for new business activities. In the case of the smart antenna technology, it has market applications on a generation, extendic, multiplatform, and cross-generational basis. The acquisition of Tantivy's wi-fi, or wireless LAN technology, enhances our positioning and the ability to influence the evolution of wireless LAN technology. While we're not presently planning on introducing products for the CDMA 2000 market, we did acquire full ownership rights to the Tantivy CDMA 2000 patents and effectively retired our prior potential earn out obligation of up to $24 million to Tantivy, and amount which is considerably in excess of the purchase price for substantially all of Tantivy's assets. We're going to use the people and the facilities of this acquisition to form the foundation of our new Melbourne design center. The geographic presence gives InterDigital a position and a growing and very dynamic telecommunications development area and opens the door and extended future business relationships and potential growth. We are also undertaking other internal activities which will broaden, strengthen, and diversify our technology and product programs. As existing programs are successfully completed, resources are being redeployed towards attractive opportunities identified in our innovation process. While these activities will in-part place extended focus on smart antenna and wireless LAN, we are also focusing on other market up opportunities that represent new areas of concentration for InterDigital. These areas are those where core competencies developed in the FDD and wideband TDD programs, are the value drivers -- such as interference management and multiple technology integration. In order to effectively control overhead, resourcing of these new activities will come through realignment of field trial product time-lines to better match indicated market timing in the wideband TDD program. We're continuing our core wideband TDD technology development. Geneva and Koln trade show demonstrations, operators support in econometric modeling, standards activities, and marketing communications activities.

The Company will also, in associated area, continue to explore the viability and profitability of the TD-SCDMA market and will participate in any appropriate opportunities. Simultaneously, we have initiated certain activities focused on government and military contracting. While we have generated a low level of revenues to-date in this area, we are expanding activities designated to determine how we can profitably participate in this market on a subcontract basis. We remain committed to aggressively pursuing new market and business relationships that would broaden our access to technology, diversify our future revenue streams, and create new avenues for accelerating growth. At the same time, we're focused on since sustaining our financial strength, a competitive differentiator in our industry and an essential element of our strategy to build long-term enterprise value in the company. For me and my colleagues, these are truly exciting times at InterDigital. And with that, Constance, let's open the call to questions.

OPERATOR: At this time, I would like to remind everyone (Caller Instructions). Your first question comes from Robert Steadman (ph), from Dimly

ROBERT STEADMAN, ANALYST, DIMLY: Good morning. During the months of May, June, and July, the four top members of management all sold a substantial share of their stock holdings in the Company. And this was to the mid to latter part of the negotiations with Nokia, the most critical period, probably, in the Company's history. Can you explain two things? Number one, how the window could've been open for insider selling at that stage of the most important part of these negotiations? And how, even as of July 6, when Howard Goldberg sold stock, the management had no idea that these talks were not going well and were going to come to a very unhappy conclusion?

GUY HICKS: Bob, I'll handle that question. Our general counsel is advised of all relevant matters and considers them in determining whether or not have we are in an open period. For me to have a discussion with you about what was advised to our general counsel would require that we get into matters that are under confidence. And I certainly cannot do that. I would like to backtrack to your comment that the four most senior members of management sold substantial portions of their holdings during that period. And I will personalize it by referring to the numbers that are my numbers, which represent a minuscule portion of my holdings. The answer to the generic question, why does management sell at any point in time, is simply an issue of liquidity, diversification, and personal needs as they arise from time-to-time -- justified against very narrow windows that management has available to them under Section 16.

ROBERT STEADMAN: To follow up on that, this process, theoretically, with Nokia, was triggered in mid-March. Is it your contention that from mid-March to July 6th, members of management, including you, had absolutely no conception that these talks with Nokia were not going well and arbitration might be a likely outcome?

GUY HICKS: I can't get into characterizing well or not well or anything such as that, Bob. I think that, as I said, most of this has to remain under confidence. It certainly is the case that when you have negotiations concerning substantial amounts of money, you expect there to be give-and-take and push-and-pull during the process of negotiation. And we had laid out from the very beginning the possibility that this matter could resolve in arbitration. We had, even in the first -- as early as the first calls, talked about the difference scenarios that could play out, including the fact that if the matter when into arbitration, the likely result would be in next year, not this year. And it has always been a part of the process that we were very open about. And one which we don't feel fundamentally impacts our ability to conduct business in any way.

ROBERT STEADMAN: Okay. Let me congratulate you on your timing then. Thank you.

OPERATOR: Your next question comes from Michael Cody (ph), Sidoti & Company.

MIKE CODY, ANALYST, SIDOTI & COMPANY: Thanks. Good morning gentleman. Just a few questions. Was there any -- you mentioned the true-up from NEC, related to the first quarter. Was there any true-up from Sharp related to the renewal of the 2G agreement?

RICH FAGAN: The only thing, Mike, this is Rich Fagan. As we had indicated in the last call, the prior agreement expired on March 20th. So, we had a little stop period of about to 10 or 11 days that it included in the second quarter. But, it's not material to the overall.

MIKE CODY: Okay. And then, NEC, is their prepayment exhausted at this point. And they're just paying on an as-you-go basis?

RICH FAGAN: Yes. We had indicated last time that they had exhausted their prepayments and they're paying current now.

MIKE CODY: Could you characterize the difference in -- I mean, obviously, you get the discount to prepayment -- so how much greater the royalties are, because their selling on an as-you-go basis, as opposed to having been exhausted versus the prepayment?

GUY HICKS: We typically don't say what the terms of discounts for -- that we provide licensees. But, I think you can see -- you can kind of back into some of those types of discounts, just by looking at what we have disclosed on other relationships, you know, in terms of discounts. Typically there's a benefit to both parties. One, there is a discount that they get. But typically, they have to expend a lot of cash that is non-recourse to us. It's a win-win for both parties. And as you have seen in the past, sometimes companies make decisions that impact that going forward. And cash remains with us.

MIKE CODY: Right. Okay. Related to expenses in the second half of the year. You mentioned increasing modestly as invest in some of these strategic initiatives. Could you be a little more specific on what you think modest is. Was the increase in the June quarter versus the March quarter modest? Or was it less than modest?

HOWARD GOLDBERG: I think, if you look sequentially, that's in the range of modest, Mike. There's no guarantee on the exact numbers. And that's why we don't get very specific, in terms of percentages. I think that modest increases you'll see sequentially. And then you'll see some amount, due to adding a facility in Florida. We added about 10 people in Florida. So, you have 10 people, plus an office in Florida. And once we resolve the purchase accounting for those assets, we'll also have the non-cash charge associated with purchase accounting activity associated with that. So, you'll get something from the base that was in-place. And then some impacts from the recent acquisition of assets.

MIKE CODY: Okay. And that will show up in your patent administration licensing?

RICH FAGAN: No, the development -- the Melbourne aspects -- the development group will show up in development line. The amortization or depreciation would show up in patent licensing and administration though, from the purchase accounting.

MIKE CODY: That's what I was referring to. No problem. One quick thing on expenses. Could you explain to me kind of how sales and marketing expense works? Why it was down sequentially so much? Kind of what that line item will do?

RICH FAGAN: Sure. The sales and marketing expenses is comprised of our business development group, as well as corporate marketing group. And what impacts that line are things like tradeshows and actually business development activities, etc. So, the timing of some of our activities this year were impacted by SARS. We actually managed some of our tradeshow costs down a little bit from prior years. And we also had some impact from restricted stock amortization for some of the people in those groups for a grant that was made back in 1999 that finished up in late October -- November of last year.

MIKE CODY: Okay. Thank you very much. Nice quarter.

OPERATOR: Terrence Weiland (ph), Piper Jaffray.

TERRENCE WEILAND, ANALYST, US BANCORP PIPER JAFFRAY: Hi. Good morning. Great. First of all, nice job on the results. It sounds like you have redirected your WTDD strategy this quarter. And it seems like you're de-emphasizing it as your sole pact to 3G. Can you discuss the broader dynamics and the considerations that were processed in that decision? And also talk about the timing of that decision? Is it something you have been considering for the past couple of quarters? And then I'll ask a follow-up. Thanks.

HOWARD GOLDBERG: Terrence, let me is sort of put a slightly different gloss on that. With respect to our wide-band TDD efforts, we consider ourselves ahead of the critical market window at this point in time. We're constantly recalibrating to the market. And, as you are well aware, the FDD portion of the market is rolling out somewhat slower than expectations have been for a period of time. We have been watching that, to make sure that, from a product point of view, we don't get too far ahead of the market. Because there are no real economics in doing that. In parallel, we've been going through a process of developing innovation ideas and identifying opportunities. And we are doing that primarily internally at this point. When we faced what was a very happy challenge of trying to resource new opportunities that we had identified, that we're very excited with -- with the prospect of staffing those particular opportunities. It was either a matter of increased overhead to be able to address those opportunities or recalibrate back on WTDD, where we were ahead of the critical market window -- in any case, and use those resources for the innovation program. It made imminent sense for us to do the latter. As I indicated during the conference call, all the other key elements of the program including demonstrations in Geneva and Koln, work with the operators including the Koln metric modeling, core technology development, etc., are considered -- are moving forward under original plan. So, we are very -- I think it was a path among various options that made imminent sense for us. In terms of the innovation opportunities are exciting us; I certainly see the acquisition of Tantivy as complementary to efforts that were already underway, in terms of wireless LAN and smart antenna. It was in-fact, those preliminary focuses that brought Tantivy to our attention. We are also taking very strong core competencies that were developing in the WTDD program, including management of interference and multiple technology integrations. And we see many ways that we can bring those into the market. But, as I am sure you could understand, for competitive reasons, I don't want to get any more granular in identifying what those opportunities are specifically. We believe that we may be ahead of the market in identifying those opportunities. And we want to retain those competitive advantages until the time it's appropriate to provide more granularities.

TERRENCE WEILAND: Okay. Great. Thank you, Howard. If I could just dig a little bit deeper on that. It sounds like your investment plan for WTDD will continue through the development. But then, the field trials will change a little bit. Is it fair to say that you have allocated what you initially planned for field trial demonstration to these new programs of smart antenna, wireless LAN, and interference management? In other words, are you really ramping up your development to a couple of these areas, where prior, you hadn't really made as much of a focus? And then, as a follow-up to that, do you anticipate in the future, as you do consider more network integration and interference as a business model, do you consider going more to a service business model, as you scale over the next few years?

HOWARD GOLDBERG: First, to address the first element of your question. This is a serious ramp-up of those programs. These are serious opportunities that we have identified. They fit extremely well within our core competency. And as I indicated in my script remarks, one of the elements that we are looking at is participating in other points of the value chain. It means that we are moving away from being solely reliant on dealing with the customers in the place in the value chain where they're presently positioned. We certainly would look at the possibility of working directly with operators, if particular skills in interference management where others created a business model that we could profit from. And we are developing much, much greater understandings and opening continuing dialogue and key relationships with operators, as we work with them on wideband TDD in the econometric modeling. That's a different way participating with the industry than had been our experience over many years. And it gives rise to many new

opportunities. So, we are bottom-line-oriented. We are market-oriented and all of the things that you articulated, Terrence. there are certainly opportunities that are within our focus for the future.

TERRENCE WEILAND: Okay. Thanks Howard. Nice job and good luck in Q3.

OPERATOR: Mike Lockley (ph), RBC Capital Markets.

AMIT KAPUR, ANALYST, RBC CAPITAL MARKETS: It's actually Amit Kapur for Mike Lockley. Just a couple of questions. First is just more of a housekeeping -- and I apologize if you can't answer this. But have you actually filed your response to Nokia's arbitration request? And has arbitration with Nokia actually commenced now?

HOWARD GOLDBERG: We have not filed our formal response at this point.

AMIT KAPUR: Okay. In terms of the license -- the growth in license agreements over the next 12 months, can you give us some color as to what proportion of the maybe 2.5G -- I'm sorry -- 2G and 2.5G agreements versus negotiations for 3G agreements?

HOWARD GOLDBERG: I would say this. We have historically resisted projecting specific numbers, because the nature of the licensing process is that it extends over a fairly extensive period of time. And it's really hard to be able to gauge exactly when it happens. You start to negotiate against yourself if you put numbers out there that everyone is watching. We're focusing on the fit and the strategic value of next licensees down the line. We have feet on the street as we're talking that are pursuing licensing opportunities. Discussions have been proceeding as normal. They have not changed since we indicated that we saw good positive discussions after the signing of the Ericson and Sony-Ericson agreements. And we see value in both. The 30 percent of the market that is not licensed to us -- the handset market and the TDMA and GSM -- represents opportunity, as does 3G, where we are looking at the -- where we have major players in the marketplace that are making substantial contributions to our revenue stream. But we intend to focus on both sides of 3G -- the CDMA 2000 side and the WCDMA side. And we have a nice challenge in front of us. Fifty percent compounded annual growth rate is not something that most companies could talk about over the past ten quarters. And the challenge in front of us is to keep sustaining those numbers and improving. And we will take on that challenge.

AMIT KAPUR: Okay, great. Final question. Could you comment on what your 3G licenses are seeing, in terms of traction for 3G? And can you give us a sense of if you're seeing more traction in Europe or Asia?

GUY HICKS: There's a lot of messages out there. And they tend to be somewhat mixed, at this point in time. The early implementation of CDMA -- I'm sorry -- of wideband CDMA, or IMT 2000, in Japan at the beginning, is lower-than-expected take-up. And that is largely attributable to the lack of Legacy network in Japan. They now seem to be picking up speed and MTD Docomo, appears to be gathering momentum. J-Fon with its Vodafone alignment, appears very positive, in terms of implementation in Japan. Throughout Europe, operators are starting to get their hands on it. Inter-operability problems, particularly on the handset side, are being addressed. Exactly when they will be overcome -- this next month or four months down the line -- it's very hard to say. But operators, increasingly, over the last quarter or two, seem to have -- at least in some significant cases -- turn the corner. They're producing good operating results. They're healthy. They're focused on the implementation of infrastructure that is shipped and in-place, but in many cases not turned on. And we're starting to see first waves of 3G -- very 3G focused type of applications coming, such as I-shot, which is sort of the picture-oriented follow-on to Li-mode (ph) in Japan. When you start to see those leading indicators, that's saying to you business is starting to gather momentum. So timing -- a little bit of an issue to have the transparency to address timing directly. But, we are encouraged overall by what we see.

RICH FAGAN: This is Rich Fagan. I think the other item to add, as you compare to say -- to a year or a year and a half ago, is what -- the thing that is encouraging is you're seeing a lot more handsets out there -- 3G now. And, as you know, people are reluctant to put infrastructure in, without handsets to generate some revenue off of that infrastructure. And you are seeing a lot more vendors out there with 3G handsets coming out. That's encouraging.

HOWARD GOLDBERG: And starting to take on the right form factors and pricing.

OPERATOR: Gail Warmington (ph), GailWar Capital Management.

GAIL WARMINGTON, ANALYST, GAILWAR CAPITAL MANAGEMENT: I'm just trying to get clarity, in terms of your deferred revenue. What portion do you anticipate recognizing this quarter?

GUY HICKS: What portion this quarter?

GAIL WARMINGTON: I mean, the September quarter, for your deferred revenue?

RICH FAGAN: There are pieces in there, that if you look at our balance sheet, you can see that we typically will show a current portion of the balance sheet. And usually a fourth of that we get recognized. We recognize -- for example, for Ericsson, it's 1.5 million a quarter. For the NEC 2G agreement, there's usually about 3.2 or $3.3 million. And then, there's an additional $1 million of FAS 101-related adjustments. Beyond that, we recognize deferred revenue, based on the exhaustion against prepayments from licensees who have made prepayments, such as Sharp and others.

GAIL WARMINGTON: Okay. Thanks a lot.

OPERATOR: John Bucher (ph) of Harris, Nesbitt, and Gerrard.

JOHN BUCHER, ANALYST, HARRIS, NESBITT, AND GERRARD: This is John Bucher. Good morning. The wideband TDD, can you say what percentage of work remains on the wideband TDD development effort?

HOWARD GOLDBERG: I don't know if Rich has in hand a precise number. But, we are in the advanced stages of verification, integration, and testing. Near-term deliveries to Nokia and working towards final resolution of a number of technological issues that just have to be buttoned up over the next several quarters. So, it is very advanced (multiple speakers) of our non-product expenditures in that effort.

RICH FAGAN: We're at the stage of really completing and validating the technology. Prior to that, what we had talked about is field trial demonstrations. So, as Howard mentioned, we'll do Geneva and Koln demonstrations. And there's some technology development associated with that and some other aspects to complete the technology over the next several quarters.

JOHN BUCHER: So separate of any statement of work that you've got with Nokia to complete, just in terms of your ability to market that technology, if and when you see industry demand and readiness for that -- you have completed the vast majority of the development work?

GUY HICKS: We are very well along.

JOHN BUCHER: Then, on a totally separate topic. Do your licensees report units? And is that behind the royalty computation? And if so, do you have an estimate for -- I know NEC was a big contributor in the wideband CDMA side. Did you have any estimates for the 3G units shipped that are behind your royalty numbers for the June quarter?

GUY HICKS: For the June quarter, they have provided a report as to the detail behind that. Obviously, we can't provide the details of that, because that's confidential between us and them. But all market -- all market reports show what NEC and others have done, including Sharp. Sharp is very transparent on their own web site.

JOHN BUCHER: Last question. On the additional work that -- you are refocusing of the development work. You mentioned government and military contracting -- possibly being a subcontractor there. Is your focus on that particular initiative, as well as some of the others that you mentioned there, more engineering services focused, to be sort of a contract engineering services provider? Or is it more product focused?

GUY HICKS: John, it's really a mixture. There's -- increasingly the government is looking to wireless communications as part of a strategy for dealing with a number of contingencies. One of the dynamics that we've seen in play is that the government is actually on the leading edge of advanced product of implementation. And it's sort of flip-flopped from four or five years ago, where the commercial market tended to be somewhat ahead of the generalized government military market. So, it represents an opportunity for us, using our background of technology, to work with the government, both in advancing the technology. But also moving toward productization, in a way that could be both funded and then utilized in the commercial domain, when the commercial arena catches up with the government implementation.

OPERATOR: Frank Marsala, Helpern Capital.

FRANK MARSALA, ANALYST, HELPERN CAPITAL: Hi guys. How are you doing? I just want to follow up. I'm trying kind of get a sense of revenue run-rate for the quarter. So NEC, the true-up for NEC was about 2.3 million. Let me ask this question first. Are there any expenses associated with a true-up such as this? Is there any expense recognition, as well?

RICH FAGAN: Yes. In terms of revenues, when they come in -- basically, there are some commissions that get recorded in the patent licensing administration line. And then the withholding taxes. On Japanese licensees, the withholding tax is 10 percent. So, until we start recognizing taxes on a normal basis, we are expensing at the withholding taxes and any AMT costs associated with profitability. But that is not linked to any particular revenue line.

FRANK MARSALA: So there is commissions associated with the NEC true-up as well?

RICH FAGAN: There is some level of commissions with most of our revenues.

FRANK MARSALA: You said Sharp was not material for the quarter? Could that be something like $500,000? Or is that an approximate -- is that a reasonable number to be using?

RICH FAGAN: I'm sorry -- are you talking about the stub period?

FRANK MARSALA: Yes. The adjustment for Sharp.

RICH FAGAN: It was less than $1 million.

FRANK MARSALA: Less than $1 million. Okay. Then -- so that would say somewhere around 23 million or so, is probably about a right run-rate, by my numbers. So that was good. Then, on expenses. Should we continue to see about the levels we have seen in the second quarter, going into the third quarter? Or -- I noticed in the past periods, the third quarter could be lower than the second quarter. How does that relationship shape up?

GUY HICKS: I think I tried to address this with Mike Cody a little bit earlier. But let me take another shot at it. There are a number of things that influence that. The decisions that we make on any particular program, whether or not we need outside assistance for any aspect of things -- whether we have to buy tools etc. -- can impact the development line. There are other factors that impact us, in terms of -- even G&A, that impacted us. One of the things that has impacted us in the first half of this year -- and we don't see it abating -- to a large degree, is the whole issue of being a public entity. Our corporate governance costs are increasing. The post-Enron era -- I'm sure you have seen the reports in the press of how much it costs any particular company. We've not actually said here's the X amount of dollars it's costing us. But I can tell you it's impacting our G&A line, because we -- we have very good cost controls and prudent cost management throughout the Company. But we are impacted by this. So our D&O insurance is up year-to-year. And it has nothing to with anything we have done. It's a focus on the environment. We meet with insurance carriers and they indicate to us that our governance is very strong. But by-and-large, you are going to get those increases in that line as well. So, to circle back to your question, I just wanted to put in perspective. You've got a number of things that can influence your sales and marketing activities and the level of travel, which we expect, in terms of business development to pick up in the second half of the year. We didn't travel as much, because of SARS, in the first half of the year. Our patent and licensing activity will increase. And then the fact that you're getting increases from -- some degree of increase from the recent asset acquisition from Tantivy. So, you should get some increase over second-quarter.

FRANK MARSALA: Then, just a Nokia question on that issue. Is there any leverage that you guys have today? Is there anything you can do to influence Nokia to bring this matter to a close -- here I'm talking about things like bringing injunctions against them -- shipping handsets -- things of that sort of. So, I'm curious about that.

HOWARD GOLDBERG: Let me first say that we certainly will look at every point of leverage. The dynamics in a situation such as this are very important. We will look -- and have been looking -- at how we can drive this to a successful resolution. Through internal and external resources. One of the ways that leverage is best used is as a surprise or -- certainly you don't want to create an anticipation of anything that you may do. So, the answer is yes. But I would be very reluctant to talk about it and layout our plan for dealing with this particular matter.

FRANK MARSALA: One of the issues that I continue to look at, but I don't really have clarity on the impact to your businesses is this issue of the indemnification that's going on out there. And it's been in your SEC filings and things of that sort. What is it that you guys think about doing, when you see something like that? What action can you take? How impactful is that? I just want to get a better sense of where that --

HOWARD GOLDBERG: Let me, if I could, just put a perspective on that. I think that was laid out in the 10-K as one of a number of things. What we were attempting to do in the 10-K was put a little bit of color on what does the process look like? What does the Company experience as it goes out and attempts to license? Why is it such a difficult effort? Why do you have to have a very high-degree of skill and competency in this area? Why is it such a specialized area? So we sort of laid out -- we walk in the door. And these are the type of things that we are presented with, to attempt to delay the process, to attempt to make the process of a defensive one for us, and to change the dynamics of negotiation. These are things that the whole suite of the elements that are put in front of us in attempts of delay and defensiveness are the very things that we've been encountering for many years. And we have entered into a number of license agreements and important renewals, since the period of time that that was laid down in our 10-K. I'm not telling

you to ignore it. But I am telling you that it was laid out as a part of the overall environment that we operate in. And that is all it was intended to do.

FRANK MARSALA: And then the last question I have, Howard, is when will you be able to layout a time-line for the arbitration with Nokia that gives us a sense of how this thing can move along, rather than just a kind of the 9 to 12-month window? Is there a time-line created by the arbitration body, for example?

HOWARD GOLDBERG: Once there is a panel -- a body, then it would be up to them to set the respective time-lines. And we would then have to then determine what's under confidentiality and what's not under confidentiality, if this process goes that far. Bill, in the most recent conference call, dealt with it as best we could at this point, which is to layout general -- sort of generic parameters, as to timing of arbitration. And, at this point in time, we have no specific knowledge that this particular process should go that far. It's going to deviate from the generic norms in any great manner.

FRANK MARSALA: Would to be up to just give us a sense then, after your response to the Nokia filing, about how long it will be before the arbitrators are chosen -- about how long that process would take?

HOWARD GOLDBERG: It would not be immediately after that filing. It would be somewhere further down the line, when there has been a complete empanelling and requisite level of procedures and processes before it's been laid out.

OPERATOR: Kevin Dede (ph), Merriman & Co.

KEVIN DEDE, ANALYST, MERRIMAN & CO.: Good morning guys. Congrats on the numbers. Apologies in advance for the remedial nature of my question. Could you review again, what you think your technology focus will be in Melbourne?

HOWARD GOLDBERG: Well, we have a group of highly specialized engineers who have concentrated on wireless LAN technologies and smart antenna. They have a legacy of having worked on a CDMA 2000-related product. That's the basic competencies of that design center. One thing that's important to us is the positioning in Melbourne, because it is an area of very substantial wireless telecommunications focus. We have -- we're going through a process of integration right now to examine exactly how we are going to use them. It would be fair to say that they will be integrated into other activities, not strictly and just focused on those particular areas -- but others in Melville or King of Prussia (ph) or Montreal or Munich -- might also bring their competencies as an additive to -- in the areas that Melbourne is working on. So, let's say that substantial focus initially on wireless LAN -- smart antenna. And that will evolve over time to an integrated research and development center that can participate in other areas of innovation focus along with us.

KEVIN DEDE: Okay. So, am I correct in assuming that the development you're working on with Philips is wide-band TDD stuff?

RICH FAGAN: Were not working on anything with Philips. Do you mean Nokia?

GUY HICKS: No. I thought you were in an agreement with a semiconductor maker?

RICH FAGAN: No. We've been working on FDD software protocol stacks with Infineon. I think that may be what you're referring to.

KEVIN DEDE: Okay. Right. That's it. Lastly, is there any technology overlap with TD-SCDMA in China?

HOWARD GOLDBERG: There's substantial overlap. We have investigated the percentage -- the relationship between the core technology that is part of wideband TDD and the core technology that is part of TD-SCDMA. And at their heart, they're both TDD technologies. The high chip rate versus the chip rate deviations makes for certain changes. But as we talk with prospective customers and partners in China, are value, in terms of the background technology that we have, the core competencies that we develop, the understanding -- deep understanding -- world-class understanding -- that we have of TDD technology is of substantial interest to them.

KEVIN DEDE: Then, how would you go about enforcing your intellectual property rights there?

HOWARD GOLDBERG: I won't pretend that China is the same as everywhere else. Bringing value-added propositions to a strict patent-licensing scenario certainly helps with the proposition. But China has also been very public, in terms of its commitment to abide by -- as part of the WTO admission -- to abide by major commercial

conventions throughout the world, including the area of IPR, where there is a substantial focus. And one of the best ways that they can demonstrate WTO compliance is to enter into intellectual property agreements with companies that have a clear position in their respective markets. We believe we have a very clear position, as a result of over thousand contributions to the TDD standards bodies in over 600 excepted, contributions, in terms of the role we have played in the architecture and defining of TDD technologies.

KEVIN DEDE: Howard. I'm clearly not going to disagree with your position. I am just curious on how -- what processes you would put in place to make your position known and collect on the investment that you have made?

HOWARD GOLDBERG: I think our position is already well-known, in terms of collection. That is something that we will deal with when there is a market for TD-SCDMA products. And I would not publicly discuss, at this point in time, that particular issue before the market emerges.

RICH FAGAN: Kevin. This is Rich. What I will say is that, as you probably know, we have a pretty strong patent licensing group, who is active around the world. And we're always considering our opportunities and the timing of those opportunities and the appropriate level of resources to employ against them. So, China is not an area that we're forgetting. But we're also being choiceful in our allocation of resource and the timing of the allocation.

HOWARD GOLDBERG: It's counterproductive at this point to waive the dagger, especially when the market has not yet emerged. But we are very, very confident about our positioning.

KEVIN DEDE: Very good. Lastly then, would you mind giving me an update on where Infineon is and your work with them and how that is progressing?

HOWARD GOLDBERG: Kevin, Infineon is moving along very well. It's a very good relationship that has grown in quality over the period of time that we're working with them. They are very seriously addressing the prospective 3G market. They have an important relationship -- the start core that is going to help them address that market. And we are very important embeddive to contact for Infineon. We feel good about how they're positioned. And they are focused and moving ahead.

KEVIN DEDE: Thanks very much for taking my questions gentlemen. And congrats again on the results.

OPERATOR: Mason Sexton, Harmonic Research.

MASON SEXTON, ANALYST, HARMONIC RESEARCH: This is Mason. Just quickly, could you comment on why you sealed the Ericsson negotiations -- why it was sealed by the court?

HOWARD GOLDBERG: That was a decision that was made by the judge in the case. And it -- there was a lot of proprietary content that was part of the litigation.

MASON SEXTON: So it related to the intellectual property issue?

RICH FAGAN: Sure, it was a decision that both parties made, along with the judge.

MASON SEXTON: Do you have any comment on what the likelihood is that Nokia will be able to reverse that?

HOWARD GOLDBERG: No, we're not going to speculate on it. I think the important thing to recognize is that the matter was sealed by a Federal judge. They don't do things without careful consideration of public policy issues and particular philosophies -- overriding philosophies in the context of particular circumstances.

MASON SEXTON: Lastly, you may have covered. But, just want to get some clarification. What has counsel advised you, as to the likely timing or the length of time it will take for this process with Nokia to work itself out, in terms of the -- ?

RICH FAGAN: That's one we've kind of covered a couple of times here. Basically, if have the opportunity to listen to our conference call that Bill Merrick participated in, we kind of laid out the normal process for arbitration. And that -- this is a normal process which we'll go through. It takes its own ebbs and flows. But our recent experience in arbitration over the last couple of arbitrations is that this could take around a year -- all told. And throughout that process, there's opportunities for discussions and negotiations, beyond what the lawyers are doing.

OPERATOR: (Caller Instructions) Ladies and gentlemen we have reached the end of the allotted time for questions and answers. Mr. Hicks, are there any closing remarks?

GUY HICKS: Other than to say thank you, Constance, for moderating our call. And we appreciate all of you participating. This concludes our second-quarter 2003 call. Thank you.

OPERATOR: This concludes today's InterDigital Communications Corporation's second quarter 2003 operating results conference call. You may now disconnect.

LOAD-DATE: August 15, 2003